

# SENATE BILL 832

C8, P2

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By: **Senator Jones**

Introduced and read first time: February 10, 2010

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Community Enhancement Transit–Oriented Development Fund**

3 FOR the purpose of establishing the Maryland Community Enhancement  
4 Transit–Oriented Development Fund for certain purposes; providing that the  
5 Fund is a special, nonlapsing fund; providing for the contents and uses of the  
6 Fund; requiring a certain portion of certain revenues from certain projects and  
7 certain other money be paid into the Fund; requiring the Comptroller to pay  
8 certain money from the Fund to certain local governing bodies in a certain  
9 manner; authorizing local governing bodies to use or make awards of money  
10 received from the Fund for certain purposes; requiring the State Treasurer to  
11 invest the money in the Fund in a certain manner; stating certain findings of  
12 the General Assembly; providing for the purposes of certain provisions of this  
13 Act; defining certain terms; and generally relating to the Maryland Community  
14 Enhancement Transit–Oriented Development Fund.

15 BY repealing and reenacting, without amendments,  
16 Article – Economic Development  
17 Section 1–101(e)  
18 Annotated Code of Maryland  
19 (2008 Volume and 2009 Supplement)

20 BY adding to  
21 Article – Economic Development  
22 Section 15–101 through 15–106 to be under the new title “Title 15. Maryland  
23 Community Enhancement Transit–Oriented Development Fund”  
24 Annotated Code of Maryland  
25 (2008 Volume and 2009 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article – State Finance and Procurement  
28 Section 10–306

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2009 Replacement Volume)

3 BY repealing and reenacting, without amendments,  
4 Article – Transportation  
5 Section 7–101(m)  
6 Annotated Code of Maryland  
7 (2008 Replacement Volume and 2009 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article – Economic Development**

11 1–101.

12 (e) (1) “Qualified distressed county” means a county with:

13 (i) an average rate of unemployment for the most recent  
14 24–month period for which data are available that exceeds 150% of the average rate of  
15 unemployment for the State during that period; or

16 (ii) an average per capita personal income for the most recent  
17 24–month period for which data are available that is equal to or less than 67% of the  
18 average per capita personal income for the State during that period.

19 (2) “Qualified distressed county” includes a county that:

20 (i) no longer meets either criterion stated in paragraph (1) of  
21 this subsection; but

22 (ii) has met at least one of the criteria at some time during the  
23 preceding 12–month period.

24 **TITLE 15. MARYLAND COMMUNITY ENHANCEMENT TRANSIT–ORIENTED**  
25 **DEVELOPMENT FUND.**

26 **15–101.**

27 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
28 INDICATED.

29 (B) “FINANCIAL ASSISTANCE” MEANS A GRANT OR LOAN FROM THE  
30 FUND.

1 (C) "FUND" MEANS THE MARYLAND COMMUNITY ENHANCEMENT  
2 TRANSIT-ORIENTED DEVELOPMENT FUND.

3 (D) "QUALIFIED PROJECT AREA" MEANS A COMMUNITY THAT IS:

4 (1) LOCATED IN A QUALIFIED DISTRESSED COUNTY; AND

5 (2) DIRECTLY IMPACTED BY AND WITHIN ONE-HALF MILE OF A  
6 DEVELOPMENT THAT HAS BEEN DESIGNATED AS A TRANSIT-ORIENTED  
7 DEVELOPMENT.

8 (E) "QUALIFIED RECIPIENT" MEANS AN ENTITY THAT IS BASED IN AND  
9 SERVES A QUALIFIED PROJECT AREA AND IS:

10 (1) A NOT FOR PROFIT COMMUNITY-BASED ORGANIZATION THAT  
11 HAS EXPERIENCE IN MAKING PHYSICAL, HUMAN CAPITAL, AND ECONOMIC  
12 INVESTMENTS TO REBUILD COMMUNITIES; OR

13 (2) A COMMUNITY DEVELOPMENT CORPORATION.

14 (F) "TRANSIT-ORIENTED DEVELOPMENT" HAS THE MEANING STATED  
15 IN § 7-101 OF THE TRANSPORTATION ARTICLE.

16 15-102.

17 (A) THE GENERAL ASSEMBLY FINDS THAT:

18 (1) WHILE STATE AND PRIVATELY FUNDED TRANSIT-ORIENTED  
19 DEVELOPMENT IS PARAMOUNT AND NECESSARY FOR THE ORDERLY ECONOMIC  
20 DEVELOPMENT OF THE STATE, SUCH DEVELOPMENT SHOULD BE PURSUED IN A  
21 MANNER THAT EXTENDS BENEFITS TO AND MINIMIZES NEGATIVE IMPACTS ON  
22 THE COMMUNITIES IN AND ADJACENT TO THE DEVELOPMENT;

23 (2) IN ORDER TO PRESERVE AND ENHANCE THE STATE'S DIVERSE  
24 CULTURAL FABRIC IN COMMUNITIES AFFECTED BY TRANSIT-ORIENTED  
25 DEVELOPMENT, IT IS ESSENTIAL FOR THE PUBLIC AND PRIVATE SECTORS TO  
26 COOPERATE IN DEVELOPING PARTNERSHIPS THAT AIM TO STABILIZE SUCH  
27 COMMUNITIES;

28 (3) IT IS MOST FRUITFUL TO SEEK COMMUNITY INPUT AND  
29 INVOLVEMENT FROM ORGANIZATIONS IN AREAS AFFECTED BY  
30 TRANSIT-ORIENTED DEVELOPMENT IN ORDER TO BEST ADDRESS THE  
31 PHYSICAL, CULTURAL, AND ECONOMIC IMPACTS OF THE DEVELOPMENT; AND

1           **(4) FOSTERING COMMUNITY-BASED INITIATIVES FOR**  
2 **NEIGHBORHOOD STABILITY AND GROWTH IS IN THE PUBLIC INTEREST.**

3           **(B) THE PURPOSE OF THIS TITLE IS TO PROMOTE AND ASSIST**  
4 **COMMUNITY-BASED INITIATIVES THAT ENHANCE NEIGHBORHOOD STABILITY**  
5 **AND ECONOMIC GROWTH IN COMMUNITIES THAT ARE DIRECTLY IMPACTED BY**  
6 **STATE AND PRIVATELY FUNDED TRANSIT-ORIENTED DEVELOPMENT.**

7 **15-103.**

8           **(A) THERE IS A MARYLAND COMMUNITY ENHANCEMENT**  
9 **TRANSIT-ORIENTED DEVELOPMENT FUND.**

10           **(B) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT**  
11 **TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

12 **15-104.**

13           **(A) THE PURPOSE OF THE FUND IS TO PROMOTE AND ASSIST**  
14 **COMMUNITY-BASED INITIATIVES IN QUALIFIED PROJECT AREAS CONSISTENT**  
15 **WITH THE PURPOSE OF THIS TITLE.**

16           **(B) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND**  
17 **THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

18           **(C) (1) THE FUND CONSISTS OF:**

19                   **(I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**  
20 **FUND;**

21                   **(II) PROCEEDS OF BONDS THAT ARE MADE AVAILABLE FOR**  
22 **THE USE OF THE FUND, INCLUDING GENERAL OBLIGATION BONDS AND GRANT**  
23 **ANTICIPATION REVENUE VEHICLES;**

24                   **(III) MONEY MADE AVAILABLE FOR QUALIFYING USES BY THE**  
25 **FUND FROM OTHER GOVERNMENTAL SOURCES, INCLUDING COMMUNITY**  
26 **DEVELOPMENT BLOCK GRANTS AND THE MARYLAND TRANSPORTATION TRUST**  
27 **FUND;**

28                   **(IV) CONTRIBUTIONS TO THE FUND MADE BY THE PRIVATE**  
29 **DEVELOPERS OF THE RELEVANT TRANSIT-ORIENTED DEVELOPMENT;**

1                   (V) GROUND RENTS OR LAND SALE PROCEEDS IN  
2 ACCORDANCE WITH § 10-306(C)(1) OF THE STATE FINANCE AND  
3 PROCUREMENT ARTICLE;

4                   (VI) PAYMENTS OF PRINCIPAL OF AND INTEREST ON LOANS  
5 MADE UNDER THIS TITLE;

6                   (VII) INVESTMENT EARNINGS OF THE FUND; AND

7                   (VIII) ANY OTHER MONEY FROM ANY OTHER SOURCE, PUBLIC  
8 OR PRIVATE, ACCEPTED FOR THE BENEFIT OF THE FUND.

9                   (2) CONTRIBUTIONS TO THE FUND UNDER PARAGRAPH (1)(IV) OF  
10 THIS SUBSECTION SHALL BE SEPARATELY ACCOUNTED FOR IN THE FUND SO  
11 THAT THE REVENUE DERIVED FROM A DEVELOPMENT IN A PARTICULAR  
12 QUALIFIED PROJECT AREA SHALL RETURN TO A QUALIFIED RECIPIENT IN THAT  
13 QUALIFIED PROJECT AREA.

14                   (3) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
15 COMPTROLLER SHALL:

16                   (I) PAY MONEY IN THE FUND IN ANNUAL INSTALLMENTS TO  
17 EACH LOCAL GOVERNING BODY WHERE A QUALIFIED PROJECT AREA IS  
18 LOCATED; AND

19                   (II) ENSURE THAT THE MONEY IN THE FUND IS  
20 DISTRIBUTED IN THE MANNER THAT BEST ACCOMPLISHES THE PURPOSES OF  
21 THE FUND, AS SPECIFIED IN § 15-102(B) OF THIS TITLE.

22 **15-105.**

23                   THE FUND MAY BE USED BY A LOCAL GOVERNING BODY OR AWARDED TO  
24 A QUALIFIED RECIPIENT BY THE LOCAL GOVERNING BODY ONLY FOR:

25                   (1) OPERATING SUPPORT OR BUILDING THE CAPACITY OF  
26 QUALIFIED RECIPIENTS;

27                   (2) ECONOMIC AND PHYSICAL IMPROVEMENTS TO THE  
28 COMMUNITY THROUGH PROJECTS THAT REINVEST IN AND REVITALIZE THE  
29 COMMUNITY;

30                   (3) THE DEVELOPMENT OF WOMEN-OWNED, MINORITY-OWNED,  
31 AND SMALL BUSINESSES;

1           **(4) THE DEVELOPMENT OF RECREATIONAL FACILITIES, PARKS,**  
2 **OR IMPROVEMENTS TO THE NATURAL ENVIRONMENT;**

3           **(5) THE DEVELOPMENT AND PRESERVATION OF AFFORDABLE**  
4 **AND WORKPLACE HOUSING;**

5           **(6) EXPANSION OF SCHOOL PROGRAMS AND CAPITAL**  
6 **IMPROVEMENTS TO SCHOOL FACILITIES THAT SERVE THE AREA;**

7           **(7) JOB TRAINING AND WORKFORCE DEVELOPMENT; AND**

8           **(8) COUNSELING FOR HOUSING AND SMALL BUSINESS**  
9 **DEVELOPMENT.**

10 **15-106.**

11           **(A) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
12 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

13           **(B) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO**  
14 **THE FUND.**

15                           **Article – State Finance and Procurement**

16 **10-306.**

17           (a) In this section, “capital asset” means an asset of a substantial permanent  
18 nature.

19           (b) If the consideration received for the disposition of any real or personal  
20 property of the State or any unit of the State government is other real or personal  
21 property, the real or personal property received shall be held and accounted for in the  
22 same manner as other property under the jurisdiction and control of the unit of the  
23 State government that receives the real or personal property.

24           (c) (1) Except as provided in paragraph (2) of this subsection, if cash is  
25 received as consideration for the disposition of a capital asset of the State or any unit  
26 of the State government, the cash [shall]:

27                           **(I) SHALL** be applied to the State Annuity Bond Fund Account  
28 for the payment of the principal of and interest on the bonded indebtedness of the  
29 State; **OR**

30                           **(II) IF THE CAPITAL ASSET IS REAL PROPERTY THAT IS**  
31 **BEING LEASED OR SOLD TO A PRIVATE PARTY FOR THE PURPOSE OF REALIZING**

1 A TRANSIT-ORIENTED DEVELOPMENT AS DEFINED UNDER § 7-101 OF THE  
2 TRANSPORTATION ARTICLE, AT THE DISCRETION OF THE STATE AGENCY THAT  
3 IS DISPOSING OF THE PROPERTY, ALL OR A PORTION OF THE CASH PROCEEDS  
4 RESULTING FROM THE TRANSACTION SHALL BE DEPOSITED IN THE MARYLAND  
5 COMMUNITY ENHANCEMENT TRANSIT-ORIENTED DEVELOPMENT FUND  
6 ESTABLISHED UNDER TITLE 15 OF THE ECONOMIC DEVELOPMENT ARTICLE  
7 FOR THE PURPOSES OF THAT FUND.

8 (2) If cash is received as consideration for the disposition of a capital  
9 asset, and if the capital asset was originally purchased with special funds, the cash  
10 shall be applied to the special fund.

11 (3) If cash is received as consideration for the disposition of any real or  
12 personal property of the State or any unit of the State government, other than a  
13 capital asset, the cash shall be accounted for and paid into the State Treasury.

#### 14 Article – Transportation

15 7-101.

16 (m) “Transit-oriented development” means a mix of private or public parking  
17 facilities, commercial and residential structures, and uses, improvements, and  
18 facilities customarily appurtenant to such facilities and uses, that:

19 (1) Is part of a deliberate development plan or strategy involving:

20 (i) Property that is adjacent to the passenger boarding and  
21 alighting location of a planned or existing transit station; or

22 (ii) Property, any part of which is located within one-half mile  
23 of the passenger boarding and alighting location of a planned or existing transit  
24 station;

25 (2) Is planned to maximize the use of transit, walking, and bicycling  
26 by residents and employees; and

27 (3) Is designated as a transit-oriented development by:

28 (i) The Secretary in consultation with the secretaries of  
29 Business and Economic Development, General Services, Housing and Community  
30 Development, the Environment, and Planning; and

31 (ii) The local government or multicounty agency with land use  
32 and planning responsibility for the relevant area.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 October 1, 2010.